

UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA

\* \* \*

UNITED STATES OF AMERICA,

Plaintiff(s),

v.

CHAO CHEN aka “EDWIN CHEN,” et al.,

Defendant(s).

Case No. 2:21-CV-1951 JCM (DJA)

ORDER

Presently before the court is the government’s motion to confirm sale (ECF No. 30) and motion for disbursement of funds (ECF No. 31). Plaintiffs did not respond to either motion.<sup>1</sup>

**I. Background**

The court entered judgment against plaintiffs Chao Chen, Ziqun Chen, Jie Zhu, Erin Chan, and Nancy Kawamoto on March 16, 2023. (ECF No. 24). On that same date, the court ordered the sale of the subject property to satisfy Chao Chen’s outstanding 2013 tax liability. (ECF No. 26).

On March 24, 2023, the court entered an order of sale authorizing and directing the subject property to be sold by the United States Marshal, his/her representative, a receiver selected by the government, or an Internal Revenue Service (“IRS”) Property Appraisal and Liquidation Specialist

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<sup>1</sup> The government states that its motion for disbursement of funds is unopposed. (ECF No. 31).

1 (“PALS”) representative pursuant to 28 U.S.C. §§ 2001 and 2002. (*Id.*). Brittanny Dipla (“Ms.  
2 Dipla”), a PALS representative, arranged and carried out the sale. (ECF No. 30-2 at 1-2).

3 For four weeks prior to the sale of the subject property, notices of sale were published in  
4 the *Las Vegas Review-Journal*, a newspaper which has general circulation in Clark County, where  
5 the subject property is located. (*Id.* at 2). These notices of sale were published in four consecutive  
6 issues, beginning on June 20, 2023, and ending on July 11, 2023. (*Id.*).

7 The IRS conducted a public auction sale of the property on July 28, 2023. (*Id.*). Thirty-  
8 four registered bidders attended the public auction and three mail-in bids were received for the  
9 auction. (*Id.*). The successful bidder, Caring Hearts Group, LLC, bid \$331,000 and timely  
10 tendered a \$33,100 deposit. (*Id.*). The balance of the purchase price, \$297,000, was timely  
11 tendered on August 28, 2023. (*Id.*). All funds have been deposited with the Clerk of the United  
12 States District Court for the District of Nevada pending confirmation of the sale by the court. (ECF  
13 Nos. 28 and 29). The IRS incurred \$4,133.65 in expenses. (ECF No. 31 at 2).

## 14 **II. Legal Standard**

15 Sections 2001 and 2002 of Title 28 of the United States Code govern the mechanics of a  
16 public sale of real property under court decree. *See* 28 U.S.C. §§ 2001 and 2002. 28 U.S.C. §  
17 2001 requires that the sale of the subject property must take place upon the premises and pursuant  
18 to the terms directed by the court. *See* 28 U.S.C. § 2001(a).

19 Pursuant to 28 U.S.C. § 2002, a party must give notice before a public sale by publishing  
20 a notice once a week for at least four weeks prior to the sale in at least one newspaper of general  
21 circulation in the county, state, or judicial district of the United States wherein the property is  
22 located. 28 U.S.C. § 2002.

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1 **III. Discussion**

2 A. Motion to confirm sale

3 The facts indicate that the sale of the property was conducted in accordance with both the  
4 court's order of sale and the statutory provisions of 28 U.S.C. §§ 2001 and 2002. In her  
5 declaration, Ms. Dipla swore under oath that the sale of the subject property took place upon the  
6 premises and pursuant to the terms directed by the court, satisfying the requirements of 28 U.S.C.  
7 § 2001(a). (ECF No. 30-3 at 2). Additionally, she swore that the notice given was proper under  
8 28 U.S.C. § 2002. (*Id.*).  
9

10 Given that the plaintiffs did not respond to the motion and submitted no evidence to  
11 contradict any facts before the court, the court will confirm the sale of the subject property as  
12 specifically instructed in the government's motion. (ECF No. 30 at 3).  
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14 B. Unopposed motion for disbursement of funds

15 In its unopposed motion for disbursement of funds, the government states that Clark  
16 County, Nevada has an interest in the subject property by virtue of unpaid real estate taxes, and  
17 the current amount owed to the county is \$3,927.91. (ECF No. 31 at 2).  
18

19 The government also notes that it has an interest in the deposited funds by virtue of its  
20 federal tax liens that arose upon assessment of Chao Chen's unpaid 2013 income taxes. (*Id.*). The  
21 current amount owed to the United States is \$323,894.40, if paid by October 25, 2023. (*Id.*).  
22

23 Finally, Republic Silver State Disposal, Inc. ("Republic") has an interest in the deposited  
24 funds by virtue of a lien for trash services recorded against the subject property. (*Id.*). The current  
25 amount owed to Republic is \$345.10. (*Id.*). By stipulation dated November 19, 2021 (ECF No.  
26 3), and approved by the court on that date (ECF No. 4), the government and Republic agreed that  
27 the government's liens have priority over Republic's lien's and that the funds shall be applied to  
28

1 Chao Chen's unpaid income tax liabilities before being applied to satisfy Republic's liens. (ECF  
2 No. 31 at 2-3).

3 As this motion is unopposed, the court will grant the government's motion for  
4 disbursement of funds as specifically detailed in its disposition, *infra*.  
5

6 **IV. Conclusion**

7 Accordingly,

8 IT IS HEREBY ORDERED, ADJUDGED, and DECREED that the government's motion  
9 to confirm sale (ECF No. 30) be, and the same hereby is, GRANTED.  
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11 IT IS FURTHER ORDERED that the court authorizes a deed of sale conveying the subject  
12 property be issued to the purchaser and orders that all interests in, liens against, or claims to the  
13 subject property held or asserted by the United States or asserted by the United States in the  
14 complaint and by any other parties to this action, or any successors in interest or transferees of  
15 those parties, be discharged and extinguished.  
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17 IT IS FURTHER ORDERED that the government's unopposed motion for disbursement  
18 of funds (ECF No. 31) be, and the same hereby is, GRANTED. The proceeds of the sale shall be  
19 disbursed as follows:

- 20 1. First, \$4,133.65 to the Internal Revenue Service for the costs of the sale, by check made  
21 payable to the Internal Revenue Service and sent to the Internal Revenue Service, attn.  
22 Brittanny Dipla, 225 W. Broadway, 2nd Floor, Glendale, CA 91204;  
23  
24 2. Second, \$3,927.61 for outstanding county taxes, by check made payable to Clark  
25 County Tax Collector, 500 S Grand Central Pkwy. P.O. Box 551220, Las Vegas, NV  
26 89155; and  
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DATED October 23, 2023.

**James C. Mahan**  
**U.S. District Judge**